

Department of Legislative Services
Maryland General Assembly
2026 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 1432 (Delegate Conaway)
Environment and Transportation

Motor Vehicles - Vehicles Previously Registered as Historic Vehicles - Emissions
Inspection and Insurance

This bill establishes that a motor vehicle with a model year of 2000 or later that is registered in the State and was previously registered as a Class L (historic) vehicle is exempt from mandatory emissions inspections under the Vehicle Emissions Inspection Program (VEIP). However, the bill also *requires* the Motor Vehicle Administration (MVA) to establish a \$30 biennial fee on each vehicle that is exempt under that provision. The bill also specifies that a motor vehicle of a model year of 2000 or later that is registered in the State and was previously registered as a Class L (historic) vehicle may be insured by a historic vehicle, a show vehicle, or an antique vehicle insurance policy.

Fiscal Summary

State Effect: Transportation Trust Fund (TTF) revenues decrease, likely by a few hundred thousand dollars annually, beginning in FY 2027, as discussed below. TTF expenditures increase minimally beginning in FY 2027 due to associated mailing costs.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law:

Vehicle Emissions Inspection Program

Title 23, Subtitle 2 of the Transportation Article generally requires all model year 1977 and newer vehicles in the State to be inspected and tested every two years, unless specifically exempt. MVA and the Maryland Department of the Environment (MDE) must set the

VEIP fee for each vehicle to be inspected and tested, which may not exceed \$30 through June 30, 2026. The current fee is \$30 but must be adjusted in future fiscal years to account for changes in the Consumer Price Index, as required by the Budget Reconciliation and Financing Act (BRFA) of 2025.

Statutory Waivers/Exemptions

A vehicle owner must be granted a waiver from the VEIP inspection requirement if the vehicle fails to pass the exhaust emissions test but the owner provides specified evidence of payment for emissions-related repairs.

Persons with special disability registration plates, persons age 70 or older, and deployed military personnel are eligible for an exemption from the inspection requirement under specified circumstances (MVA/MDE regulations refer to these exemptions as “waivers”).

Any fire or rescue apparatus or ambulance owned or leased by a political subdivision of the State, or by a volunteer fire company, rescue squad, or volunteer ambulance company, registered as an emergency vehicle is exempt from VEIP inspections.

Regulations

Section 23-207 of the Transportation Article authorizes MVA and the Secretary of the Environment to jointly adopt rules and regulations for purposes of implementation, administration, regulation, and enforcement of the provisions of the VEIP statute, including rules and regulations that, consistent with federal law, exempt certain vehicles from the inspections and tests under the program.

MVA/MDE regulations establish various additional exemptions, including exempting vehicles not registered in the “emissions inspection area” (Anne Arundel, Baltimore, Calvert, Carroll, Cecil, Charles, Frederick, Harford, Howard, Montgomery, Prince George’s, Queen Anne’s, and Washington counties, and Baltimore City). Diesel vehicles are regulated under a separate program.

Historic Vehicles

In applying for a registration of a historic motor vehicle, the owner must certify that the vehicle for which the application is made will be maintained only for use in exhibitions, club activities, parades, tours, and occasional transportation. The vehicle may *not* be used for purposes such as general daily transportation, employment, etc.

The BRFA of 2025 limited the definition of “historic motor vehicle” to model year 1999 (or earlier) vehicles, repealing the previous requirement that a motor vehicle be at least

20 years old. Accordingly, any Class L (historic) vehicles with a model year of 2000 or later lost eligibility for registration as a historic vehicle and, instead, must register by their corresponding class and weight effective July 1, 2025. Pursuant to Section 22 of the BRFA of 2025, the revenue increases attributable to this change must remain allocated within the Maryland Department of Transportation. Otherwise, a portion of the revenues collected from motor vehicle registrations is provided to local governments from the Gasoline and Motor Vehicle Revenue Account through capital transportation grants.

Most vehicle classes may register for one or two years. Registration fees vary based on a vehicle's characteristics (*e.g.*, class and weight, whether the vehicle is an electric drive vehicle, etc.) and the fees can be found on [MVA's website](#). The annual registration fee for a Class L (historic) vehicle is \$55.50.

State Fiscal Effect: As noted above, the BRFA of 2025 narrowed eligibility for registration as a Class L (historic) vehicle and, as a result, certain model year vehicles (2000 or later) previously registered as historic were required to obtain a standard registration corresponding to the appropriate class and weight beginning July 1, 2025. Many – though not all – of those vehicles were also subject to VEIP testing and other surcharges beginning in fiscal 2026.

MVA advises that there are approximately 61,777 active vehicle registrations with a model year of 2000 through 2005 that lost eligibility for a Class L (historic registration) as a result of the BRFA of 2025. However, only a subset of that total (53,402, or approximately 86%) are subject to emissions testing (*i.e.*, due to being registered in counties not subject to VEIP and/or other statutory exemptions noted above).

Under the bill, *all* vehicles with a model year of 2000 or later that were registered as a Class L (historic) vehicle prior to enactment of the BRFA of 2025 are exempt from VEIP testing *and are required* to pay the new biennial \$30 fee established by the bill. In total, MVA estimates the bill's fee provision may increase TTF revenues by as much as \$926,700 on an annual basis. However, most of that amount is likely offset by the loss of VEIP testing fees, resulting in only a minimal or negligible increase in TTF revenues. In addition, MVA notes that late fee revenues for individuals who fail to complete a VEIP test in time also decrease by approximately \$396,000 annually. Therefore, on net, TTF revenues likely *decrease* by a few hundred thousand dollars annually under the bill.

TTF expenditures may increase to the extent that additional notifications must be mailed to vehicle owners each time the new fee is due. These costs may total approximately \$21,000 annually.

The bill's insurance provision likely has no material impact on State revenues or expenditures.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: None.

Information Source(s): Maryland Department of the Environment; Maryland Department of Transportation; Maryland Insurance Administration; Department of Legislative Services

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